



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

ERNEST Y. MARTIN  
CHAIR & PRESIDING OFFICER  
IKAIKA ANDERSON  
VICE CHAIR  
RON MENOR  
FLOOR LEADER  
BRANDON J. C. ELEFANTE  
CAROL FUKUNAGA  
ANN H. KOBAYASHI  
JOEY MANAHAN  
TREVOR OZAWA  
KIMBERLY MARCOS PINE

## JOURNAL

SPECIAL MEETING  
5TH SESSION  
WEDNESDAY, APRIL 1, 2015

COMMITTEE MEETING ROOM  
2<sup>ND</sup> FLOOR, HONOLULU HALE  
HONOLULU, HAWAII 96813

*Note: A copy of the video of the full proceedings of this meeting may be requested by calling the City Clerk's Office at 768-5822.*

### CALL TO ORDER

Pursuant to adjournment, the special meeting of the City Council was called to order by the Chair and Presiding Officer, Ernest Y. Martin, at 2:05 p.m.

### ROLL CALL

Roll call showed the following Councilmembers present:

Councilmembers Anderson, Elefante, Fukunaga, Kobayashi, Manahan, Menor, Ozawa, Martin - 8.

Excused: Councilmember Pine - 1.

### ORDER OF THE DAY

#### FIRST READING

#### BILL 23

(Legislative Matters)

A BILL FOR AN ORDINANCE RELATING TO THE TRANSPORTATION SURCHARGE.

Councilmember Anderson moved that Bill 23 pass first reading. Seconded by Councilmember Menor.

The following individuals testified on Bill 23:

1. Reverend Bob Nakata, Faith Action for Community Equity (M-685) (comments)
2. Garrett Takara, Hawaii Regional Council of Carpenters (M-713) (support)
3. Tyler Dos Santos-Tam, Hawaii Construction Alliance (M-715) (comments)
4. Shannon Alivado, General Contractors Association of Hawaii (M-720) (support)
5. Michael Uechi (oppose)
6. Ted Kanemori (oppose)
7. Cynthia Frith (oppose)
8. Natalie Iwasa (oppose)
9. Catherine Kupuka'a (oppose)
10. Barbra Armentrout (oppose)
11. Gerald Chang (M-714) (comments)
12. Al Frenzol (oppose)
13. Jack De Feo (comments)
14. Dolores Mollring (comments)
15. Executive Director Dan Grabauskas, Honolulu Authority for Rapid Transportation (support)

At this juncture, the Chair took testimony on Bill 24 to accommodate the public testifiers waiting to speak.

## **FIRST READING**

**BILL 24**

(Budget)

### **A BILL FOR AN ORDINANCE RELATING TO CAR SHARING.**

The following individuals testified on Bill 24:

1. Walter Rosenkranz, CAR2GO (M-749) (support)
2. Joslyn Bantilan, EAN Holdings (M-750) (comments)

In response to questions from Councilmember Ozawa, Ms. Bantilan stated that the City of San Diego Car Share Program study was included with her written testimony.

3. Barbra Armentrout (support)

Councilmember Ozawa stated that the purpose of Bill 24 is to reduce the number of cars on the streets over a long period of time. He acknowledged the issues identified by the testifiers and indicated that the issues would subside over time with car sharing.

Chair Martin returned to Bill 23 for discussion.

## **FIRST READING**

### **BILL 23**

(Legislative Matters)

### **A BILL FOR AN ORDINANCE RELATING TO THE TRANSPORTATION SURCHARGE.**

In response to questions from the councilmembers, Executive Director Dan Grabauskas, Honolulu Authority for Rapid Transportation (HART) and Board Chair Ivan Lui-Kwan, HART Board, provided the following information:

- At the Legislature, House Bill 134 and Senate Bill 19, both relating to taxation, have crossed over. Hearings on the Bills have not yet been scheduled.
- Bill 23 is the City Council's vehicle of the measures in the Legislature.
- According to Wes Machida, State Director of Budget and Finance, Governor David Ige is not opposed to Senate Bill 19; however, more information was being sought.
- The main focus of HART is the completion of the minimum operating segment or the first twenty miles. HART has no intention at this time to plan or design any future extensions to the system without direction from the policymakers.
- HART's direction is determined by two main factors: the City Charter and the Federal Transit Administration's Full Funding Grant Agreement (FFGA).
- The primary responsibility of HART as specified in the City Charter is to plan, design, maintain, and operate the transit system, which includes being fiscally responsible.

Requesting that his comments be reflected in the minutes, Councilmember Manahan stated that the City Council does not have jurisdiction over the general excise tax but would be required to approve Bill 23 dependent upon the outcome at the Legislature. Executive Director Grabauskas concurred with the Councilmember.

Executive Director Grabauskas also concurred with Councilmember Menor that Bill 23 would become moot should the Legislature deny the excise tax extension.

Requesting that his comments also be reflected in the minutes, Councilmember Anderson stated that he will oppose any monies for future spurs to the rail system until the minimum operable segment is completed and operational.

Councilmember Elefante noted for the record that he would be filing Disclosure of Interest Statements with the City Clerk's Office (CC-130, CC-131, CC-132, CC-133, and CC-134).

Requesting that his comments also be reflected in the minutes, Councilmember Elefante stated that he would be supporting the measure and looks forward to discussions in Committee.

Councilmember Kobayashi stated that she would be voting against the measure.

Councilmember Anderson stated that he would be supporting the measure and looks forward to discussions in Committee.

Chair Martin stated that he would defer his discussion until such time when the Bill is heard in the Committee on Budget.

Bill 23 passed first reading.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA\*, MANAHAN, MENOR, OZAWA,  
                 MARTIN – 7.  
NOES:        KOBAYASHI – 1.  
ABSENT:     PINE – 1.

\*Councilmember Fukunaga voted aye with reservations.

Related communications:

M-681	Lynne Matusow
M-686	Mark Danielson
M-687	Jo Kliniski, Magna Force, Inc.
M-688	Jason Bradshaw, Hawaii State AFL-CIO
M-716	Tom Berg
M-717	Tom Berg
M-718	Lila Gardner
M-719	Bobbie Slater

M-721	Brooke Wilson, The Pacific Resource Partnership
M-722	Wendy Arbeit
M-723	Patricia Carroll
M-724	Joseph Carbone
M-725	David Thompson
M-726	MaryAnne Long
M-727	Thomas Welch
M-728	Mike Garcia
M-729	Gary Choy
M-730	Mary J. Culvyhouse
M-731	Antonio Andres Lopez
M-732	Tom Moore
M-733	James E. Leith
M-734	Hanni Hartmann
M-735	Robert Soares
M-736	Eloise Yano
M-737	Donna Dang
M-738	Lyle Fong
M-739	Marijane Holmes Carlos
M-740	Marc Myer
M-741	Ben Robinson
M-742	Ernest Burnett
M-743	Senator Breene Harimoto
M-744	Arlene G. Woo
M-745	Evan Palmer
M-746	Paquito Jardinaso
M-747	Benjamin Ramelb
M-748	Carol Hopkins

**FIRST READING**  
**BILL 24**

(Budget)

A BILL FOR AN ORDINANCE RELATING TO CAR SHARING.

Councilmember Anderson moved that Bill 24 pass first reading. Seconded by Councilmember Menor.

(Note: See Page 2 and 3 for list of testifiers and discussion.)

Bill 24 passed first reading.

AYES: ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, OZAWA,  
MARTIN – 7.

NOES: None.

ABSENT: ANDERSON, PINE – 2.

Related communication:

M-751 Dan Grossman, Zipcar

## **RECESS**

At 3:25 p.m., the Chair called for a short recess to allow for the amendments that were passed in the Committee on Budget earlier in the day to be completed.

## **RECONVENE**

The Chair reconvened the meeting at 3:37 p.m with 6 members present.

Excused: Councilmembers Anderson, Menor, Pine – 3.

## **RESOLUTIONS**

### **ADOPTION**

#### **RESOLUTION 15-7, FD1 – COMMITTEE REPORT 108**

RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF BUDGET AND FISCAL SERVICES OF THE CITY AND COUNTY OF HONOLULU OR THE DIRECTOR'S DESIGNEE TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART) REGARDING THE GENERAL OBLIGATION BONDS.

The following amendment was handcarried to the meeting:

Resolution 15-7, Proposed FD1 (OCS2015-0275/4/1/2015 1:49 PM)

Councilmember Manahan moved that Committee Report 108 be added to the agenda. Seconded by Councilmember Ozawa.

Committee Report 108 was added to the agenda.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, OZAWA, MARTIN – 6.  
NOES:        KOBAYASHI – 1.  
ABSENT:      MENOR, PINE – 2.

Councilmember Manahan moved that Committee Report 108 and Resolution 15-7 be adopted. Seconded by Councilmember Ozawa.

Councilmember Manahan moved that the Resolution be amended to FD1. Seconded by Councilmember Ozawa. The FD1 amendment amends the BE IT RESOLVED CLAUSE to remove the word “substantially” in (1) and (2) and replaces Exhibit A with a new Exhibit A.

The following individuals testified:

1. Frank Genadio (M-752) (comments)
2. Catherine Kupuka'a (oppose)
3. Bobbie Slater (oppose)
4. Cynthia Frith (comments)
5. Natalie Iwasa (oppose)
6. Barbra Armentrout (comments)
7. Gino Soquena, Hawaii Laborers Union Local 368 (support)
8. Reverend Bob Nakata, Faith Action for Community Equity (support)

Councilmember Elefante noted for the record that he would be filing a Disclosure of Interest statement with the City Clerk's office (CC-143).

Requesting that his comments be reflected in the minutes, Councilmember Elefante stated that since the next step in the overall plan is the bond issuance to help with the project's cash flow, he would be supporting the measure for adoption.

In response to questions from the councilmembers, Executive Director Grabauskas provided the following information:

- HART anticipates returning to the Council sometime in June or July for a loan request depending on their cash flow needs.

- Without the Memorandum of Agreement and the floating of bonds, HART would have to cease construction and risk non-compliance of the FFGA. In order to meet contractual obligations and risk liability for delay claims, the City must float the bonds.
- The bond amount of \$250 million would cover the existing costs of construction and pay for bills that are due and owing.
- In the State Supreme Court litigation case, the City settled in excess of \$40 million for the thirteen months that construction was delayed.
- HART assured the Committee that there would be adequate excise tax revenues to cover the cost of the bond issuances.

In response to questions from the councilmembers, Director Koyanagi provided the following information:

- The City upholds a debt and financial policy. With respect to the amount of bonds that the City could float, it is more about the amount of debt service, which is \$8 million. The debt service falls under the Operating budget and not the Capital Improvement Program (CIP) budget.
- There is no relation between the CIP budget and floating bonds for HART.
- The Memorandum of Understanding (MOU) protects the City and does not approve the bond issuance. The MOU outlines the methods in which HART should be evaluated and the repayment process for the bonds. Bonds cannot be issued unless a Resolution is presented to the City Council for approval.

For the record, Councilmember Ozawa stated that in the interest of time, he stands on his questions and comments that he raised earlier in the Committee on Budget meeting.

Councilmember Kobayashi stated that she could not support the Resolution because it is her responsibility to protect taxpayers' monies and therefore, will be voting against the measure.

Councilmember Anderson requested that Director Koyanagi's response that any amendments or revisions to the MOU recommended by HART must be presented to the Council for approval be reflected in the minutes.



Councilmember Menor stated that although he had some concerns and reservations in previous hearings on the MOU, he was satisfied that the concerns were addressed and therefore, he would be voting in support of the measure.

Councilmember Ozawa stated that he would be voting aye with reservations on the adoption of the measure because he is against raising real property taxes to fund the rail project.

Councilmember Anderson stated that he would be supporting the Chair's recommendation in moving the measure forward with the understanding that the MOU and the bond float request will be presented to the Council for approval later in the year.

Councilmember Manahan stated that he also would be supporting the Chair's recommendations and thanked HART for providing the Council with their capital plan and cash flows for the years out.

Resolution 15-7 was amended to FD1 (OCS2015-0275/4/1/2015 1:49 PM).

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR,  
                  OZAWA, MARTIN – 8.  
NOES:        None.  
ABSENT:     PINE – 1.

Council Rule 19.F relating to 48-hour notice was waived.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR,  
                  OZAWA, MARTIN – 8.  
NOES:        None – 0.  
ABSENT:     PINE – 1.

Committee Report 108 and Resolution 15-7, FD1 were adopted.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA\*, MANAHAN, MENOR, OZAWA\*,  
                  MARTIN – 7.  
NOES:        KOBAYASHI – 1.  
ABSENT:     PINE – 1.

\*Councilmembers Fukunaga and Ozawa voted aye with reservations.

Related communications:

D-194	Director Nelson H. Koyanagi, Jr, Department of Budget and Fiscal Services
M-682	Lynne Matusow
M-714	Gerald Chang
M-720	Shannon Alivado, General Contractors Association of Hawaii
M-753	Tom Berg
M-754	Michele Matsuo
M-755	Anson Kimura
M-743	Senator Breene Harimoto

**ADOPTION**

**RESOLUTION 15-69, FD1 – COMMITTEE REPORT 111**

AUTHORIZING THE DIRECTOR OF COMMUNITY SERVICES OR THE DIRECTOR'S DESIGNEE TO APPLY FOR GRANT FUNDS AWARDED THROUGH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S 2014 CONTINUUM OF CARE HOMELESS ASSISTANCE PROGRAMS AND TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS RELATED THERETO.

The following amendment was handcarried to the meeting:

Resolution 15-69, Proposed FD1 (OCS2015-0276/4/1/2015 2:03 PM)

Councilmember Kobayashi moved that Committee Report 111 be added to the agenda. Seconded by Councilmember Anderson.

Committee Report 111 was added to the agenda.

AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, OZAWA, MARTIN – 8.

NOES: None.

ABSENT: PINE – 1.

Councilmember Kobayashi moved that Committee Report 111 and Resolution 15-69 be adopted. Seconded by Councilmember Manahan.

Councilmember Kobayashi moved that the Resolution be amended to FD1. Seconded by Councilmember Manahan. The FD1 amendment replaces Exhibit B with a new Exhibit B.

There was no public testimony.

Resolution 15-69 was amended to FD1 (OCS2015-0276/4/1/2015 2:03 PM).

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR,  
                  OZAWA, MARTIN – 8.  
NOES:        None.  
ABSENT:     PINE – 1.

Council Rule 19.F relating to 4-hour notice was waived.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR,  
                  OZAWA, MARTIN – 8.  
NOES:        None.  
ABSENT:     PINE – 1.

Committee Report 111 and Resolution 15-69, FD1 were adopted.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR,  
                  OZAWA, MARTIN – 8.  
NOES:        None.  
ABSENT:     PINE – 1.

Related communication:

D-195        Director Designate Gary K. Nakata, Department of Community Services

## **BALANCE OF COMMITTEE REPORTS**

There was no balance of committee reports.

## **UNFINISHED BUSINESS**

There was no unfinished business.

## **NEW BUSINESS**

### **SUNSHINE/ADOPTION RESOLUTION 15-87**

RELATING TO THE ACCEPTANCE OF A GIFT TO THE CITY FROM NAGOYA TOYOPET TO ASSIST WITH THE COST OF INSTALLATION AND MAINTENANCE OF THE FLAG POLE INSTALLED AT HONOLULU HALE.

Resolution 15-87 was waived to the Council floor by the Chair of the Business, Economic Development and Tourism Committee.

Pursuant to HRS Section 92-7, the Sunshine Law, Councilmember Anderson moved that Resolution 15-87 be added to the agenda. Seconded by Councilmember Menor.

Resolution 15-87 was added to the agenda.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
                 MARTIN – 7.  
NOES:        None.  
ABSENT:     KOBAYASHI, PINE – 2.

Councilmember Anderson moved that Resolution 15-87 be adopted. Seconded by Councilmember Menor.

The following individual testified:

Shawn Hamamoto, Office of the Mayor

Resolution 15-87 was adopted.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
                 MARTIN – 7.  
NOES:        None.  
ABSENT:     KOBAYASHI, PINE – 2.

Related communication:

CC-127       Councilmember Brandon J.C. Elefante

**SUNSHINE/ADOPTION**  
**RESOLUTION 15-88**

ESTABLISHING A PERMITTED INTERACTION GROUP OF COUNCILMEMBERS TO MEET WITH HAWAII'S CONGRESSIONAL DELEGATION AND OTHER OFFICIALS TO DISCUSS ISSUES RELATING TO HOMELESS MIGRANTS FROM COMPACT OF FREE ASSOCIATION COUNTRIES.

The following amendment was handcarried to the meeting:

Resolution 15-88, Proposed FD1 (OCS2015-0267/3/31/2015 12:25 PM)

Resolution 15-88 was waived to the Council floor by the Chair of the Public Health, Safety and Welfare Committee.

Pursuant to HRS Section 92-7, the Sunshine Law, Councilmember Anderson moved that Resolution 15-88 be added to the agenda. Seconded by Councilmember Menor.

Resolution 15-88 was added to the agenda.

AYES:        ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
                 MARTIN – 7.

NOES:        None.

ABSENT:     KOBAYASHI, PINE – 2.

Councilmember Anderson moved that Resolution 15-88 be adopted. Seconded by Councilmember Menor.

Councilmember Anderson moved that the Resolution be amended to FD1. Seconded by Councilmember Menor. The FD1 amendment replaces Council Chair Ernest Martin with Councilmember Ron Menor.

Councilmember Anderson clarified that the members of the Permitted Interaction Group are Councilmembers Fukunaga, Kobayashi, Manahan, and Menor.

There was no public testimony.

Resolution 15-88 was amended to FD1 (OCS2015-0267/3/31/2015 12:25 PM)

AYES: ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
MARTIN – 7.

NOES: None.

ABSENT: KOBAYASHI, PINE – 2.

Council Rule 19.F relating to 48-hour notice was waived.

AYES: ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
MARTIN – 7.

NOES: None.

ABSENT: KOBAYASHI, PINE – 2.

Resolution 15-88, FD1 was adopted.

AYES: ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MENOR, OZAWA,  
MARTIN – 7.

NOES: None.

ABSENT: KOBAYASHI, PINE – 2.

Related communication:

CC-126 Councilmember Ron Menor

## **COMMITTEE OF THE WHOLE/EXECUTIVE SESSION**

There was no Executive Session.

## **ANNOUNCEMENTS**

Council Chair Martin announced the upcoming birthday of Councilmember Kobayashi on April 10, 2015.

**ADJOURNMENT**

At 4:34 p.m., Councilmember Anderson moved that the Council adjourn until Wednesday, April 22, 2015, at 10 a.m. Seconded by Councilmember Menor and there being no objections from the 7 members present, it was so ordered by the Chair.

Respectfully submitted,

  
GLEN TAKAHASHI  
Acting City Clerk

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DATE APPROVED:

May 6, 2015